

23 January 2023

Price: €22.10

Target Price: €38.00

STRONG BUY (1)

Opinion unchanged

1 : Strong Buy 2 : Buy 3 : Hold 4 : Reduce 5 : Sell

Price at 20/01/2023

Company Contact

Source : FactSet Research

Market	Euronext GROWTH
ISIN / Mnemonic	FR0012788065 / ALCOR
Reuters / Bloomberg Index	ALCOR.PA / ALCOR:FP Euronext GROWTH

Research partially paid by the issuer

PEA-PME Yes

Market Cap (€m)	96.41
Float (%)	53.9%
Nbre of shares (Mio)	4.362
Closing	31-Dec

	21	22e	23e
PER	ns	ns	ns
PCF	ns	ns	ns
EV/Sales	12.0	8.4	6.9
EV/EBIT	ns	ns	ns
PB	ns	29.9	23.1
Yield	0.0%	0.0%	0.0%
Free Cash Flow Yield	-1.2%	-1.2%	-1.9%
ROACE	-	-	-

	10.2	11.7	14.7
Sales	10.2	11.6	13.7
Previous Sales	10.2	11.6	13.7
chge y/y-1	20.9%	14.8%	25.3%
EBITDA	0.9	0.9	2.2
Underlying EBIT	0.1	0.0	0.9
% Sales	1.3%	-0.2%	6.4%
EBIT	0.2	0.0	0.9
% Sales	1.8%	-0.2%	6.4%
Decl.Net inc Group Sh	0.3	0.1	0.9
% Sales	2.9%	0.8%	6.4%

	0.07	0.02	0.22
EPS	0.07	0.04	0.03
Previous EPS	0.07	0.04	0.03
chge y/y-1	ns	-67.0%	875.3%
Restated EPS	0.07	0.02	0.22
Net Asset per Share	0.7	0.7	1.0
Net Dividend	0.00	0.00	0.00
NFD	2.1	5.6	7.4

Calendar :
2022 Full year results on 6 April

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First Mallya delivered in 2022

Biocorp is on track with its operational schedule, recognizing the first Mallya sales in 2022. The order book for H1-2023 is in line with our expectations, although we remain cautious for H2.

Shortages disappear and deliveries start

Following an executive contact, Biocorp confirms that it has delivered the first batches to Sanofi and Novo Nordisk, acknowledging sales for the year 2022. We readjust the expected sales for 2022 to €11.7M vs €11.5M. Although this volume remains marginal, it initiates production and confirms Biocorp's ability to manufacture its connected device. It should be noted that the launch was delayed due to a shortage of a component that Biocorp now has in sufficient quantity to ensure more than a half-year of production according to our estimates.

A backlog beyond H1

Although 2023 is still expected to be a milestone year, we believe that Mallya's production will accelerate. Therefore, given the risks of shortages that we do not believe have fully dissipated, we are revising the expected volumes from 150k to 100k for 2023 to incorporate the risk of a production slowdown in H2. However, this 50k unit difference remains negligible compared to the expected volume for 2026, which we maintain at 1M units.

Mallya's 510(k) v3 expected by mid-2023

The recent FDA approval of Mallya's 1st version paves the way for the accelerated registration of the v3 which shares a similar architecture. Remember that the versions currently being produced are the v3s, which will be exportable to the US as soon as the FDA approval is received. We expect a positive announcement by the end of H1, which we consider to be the company's main catalyst for 2023, both in terms of its order book and its relationships with the diabetes industry, particularly CGM (Continuous Glucose Monitoring). Indeed, these players such as Abbott with its FreeStyle initially focused on patients with type 1 diabetes (T1DM), but are now targeting type 2. The latter represent 90% of the diabetic population and mostly use disposable pens for which Mallya was developed. Thus, given the high probability of obtaining the 510(k), we are incorporating potential milestones from these partners into our revenue estimates this year.

We expect H1 to be relatively quiet with a gradual ramp-up in production. The second half of the year should consist of a structuring newsflow for the future of Biocorp with the 510(k) for v3 and new orders indicating to us the feeling of the insulin manufacturers regarding the commercial potential of the device. Following the revision of volumes and milestones for 2023 (positive effect on valuation), and the update of the 10-year OAT of our wacc, we mechanically lower our TP from €41.2 to €38.0 and confirm our recommendation to Strong Buy (1).

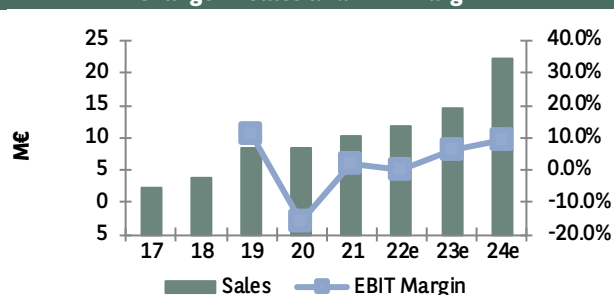
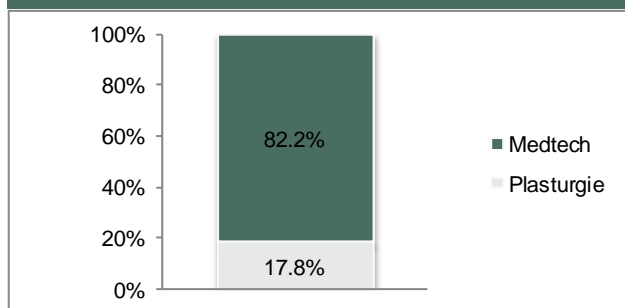
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P&L Account	17	18	19	20	21	22e	23e	24e
Sales	2,3	3,9	8,4	8,5	10,2	11,7	14,7	22,2
<i>chge y/y-1</i>	-21,3%	67,6%	+ / + +	0,1%	20,9%	14,8%	25,3%	50,9%
<i>organic chge</i>	-21,3%	67,6%	117,1%	0,1%	20,9%	14,8%	25,3%	50,9%
EBITDA	-4,6	-4,3	1,6	-0,9	0,9	0,9	2,2	3,9
Underlying EBIT	-7,8	-5,3	0,9	-1,6	0,1	0,0	0,9	2,1
<i>chge y/y-1</i>	- / - -	- / - -	- / +	- / -	- / +	- / -	- / +	+ / + +
EBIT	-7,9	-5,4	1,0	-1,3	0,2	0,0	0,9	2,1
RCAI	-7,9	-5,6	0,8	-1,5	0,1	-0,1	0,7	1,9
Tax Rate	0,4	0,3	0,2	0,3	0,2	0,2	0,2	0,1
Declared Group Net income	-7,5	-5,3	1,0	-1,2	0,3	0,1	0,9	2,0
Restated Group Net income	-7,5	-5,3	1,0	-1,2	0,3	0,1	0,9	2,0
<i>chge y/y-1</i>	- / - -	- / - -	- / +	+ / -	- / +	-67,0%	+ / + +	+ / + +
AACR Sales 2019 / 2023e	14,9%							
Gross Margin (%)	32,0%	17,3%	8,5%	7,4%	7,5%	4,8%	4,2%	2,6%
Operating Margin (%)	ns	ns	11,3%	-15,8%	1,8%	-0,2%	6,4%	9,4%
Net margin (%)	ns	ns	11,4%	-14,7%	2,9%	0,8%	6,4%	8,9%
Tax Rate (%)	4,7%	5,9%	-20,2%	16,8%	-205,5%	194,6%	-26,7%	-4,7%
Cost of personnel / Sales (%)	146,7%	97,1%	41,6%	52,5%	49,4%	50,0%	42,0%	29,7%
Sales/employees (K€)	48	85	184	146	157	-	-	-
<i>chge y/y-1</i>	- / +	74,9%	+ / + +	-20,6%	7,9%	-	-	-
Avg nb of staff	48	46	46	58	65	-	-	-
<i>chge y/y-1</i>	- / +	-4,2%	0,0%	26,1%	12,1%	-	-	-

Balance Sheet	17	18	19	20	21	22e	23e	24e
Equity value (group's share)	-1,3	-1,8	0,0	2,8	3,1	3,2	4,2	6,2
Net Financial Debt	3,0	3,8	1,8	0,7	2,1	5,6	7,4	7,3
Other	-0,3	-0,2	-0,4	-0,5	-0,6	-3,0	-3,0	-3,0
Invested Capital	1,4	1,7	1,5	3,0	4,7	5,8	8,6	10,4
Net Fixed Assets	2,2	1,6	2,0	3,9	4,2	6,8	9,1	9,8
<i>o/w goodwill</i>	-	-	-	-	-	-	-	-
<i>o/w financial assets</i>	0,3	0,2	0,4	0,5	0,6	3,0	3,0	3,0
WCR	-0,5	0,3	-0,1	-0,4	1,1	2,0	2,5	3,7
Capital employed	1,4	1,7	1,5	3,0	4,7	5,8	8,6	10,4
Gearing (%)	-237,2%	-207,5%	5794,1%	23,6%	67,2%	174,4%	178,0%	118,8%
WCR/Sales (%)	-21,3%	8,1%	-1,5%	-4,9%	10,3%	17,2%	17,0%	16,7%
Net Financial Debt/EBITDA (x)	ns	ns	1,2	ns	2,3	6,2	3,4	1,9
ROE (%)	ns	ns	ns	ns	9,4%	3,0%	22,8%	32,2%
ROACE (%) after normative tax	-	-	-	-	-	-	-	-

Cash Flow statement	17	18	19	20	21	22e	23e	24e
Cash Flow	-4,2	-4,3	1,6	-0,6	1,1	1,0	2,2	3,8
Change in WCR	0,2	-0,8	0,3	0,4	-1,5	-1,0	-0,5	-1,2
Capital expenditures	-0,9	-0,4	-1,0	-2,4	-1,0	-1,2	-3,5	-2,5
% of Sales	40,8%	10,5%	11,5%	28,7%	9,8%	10,3%	23,8%	11,3%
Free Cash Flow	-5,0	-5,5	0,9	-2,6	-1,5	-1,2	-1,8	0,1
Asset disposal	0,3	0,3	0,5	2,3	2,1	0,1	0,0	0,0
Financial Investments	-0,3	-0,4	-0,5	-2,4	-2,1	-2,5	0,0	0,0
Dividends	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Capital increase	0,0	4,7	0,9	4,0	0,0	0,0	0,0	0,0
Other	-0,1	0,1	0,1	-0,2	0,0	0,0	0,0	0,0
Change in Net Financial Debt	5,0	0,8	-1,9	-1,2	1,4	3,5	1,8	-0,1
Net Financial Debt	3,0	3,8	1,8	0,7	2,1	5,6	7,4	7,3

Change in Sales and EBIT Margin



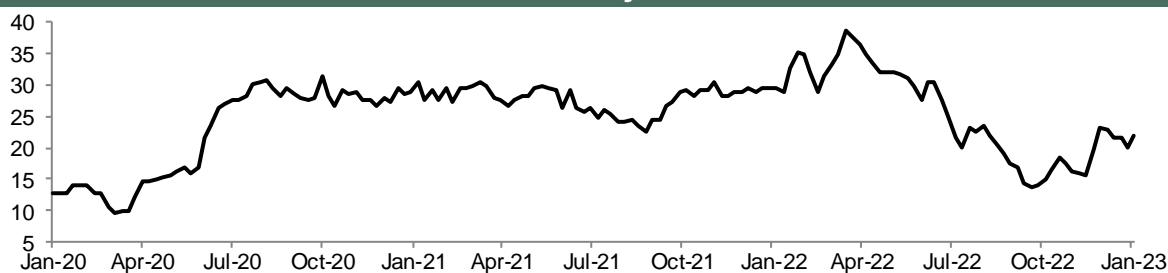
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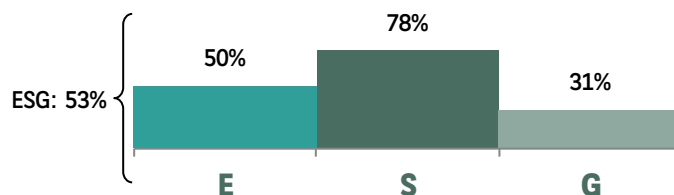
Data per Share	17	18	19	20	21	22e	23e	24e
EPS	-2,21	-1,32	0,23	-0,28	0,07	0,02	0,22	0,45
chge y/y-1	-/--	--/--	-/+	+/-	-/+	-67,0%	+/>+	+/>+
CFPS	-1,2	-1,1	0,4	-0,1	0,2	0,2	0,5	0,9
NAPS	-0,4	-0,5	0,0	0,7	0,7	0,7	1,0	1,4
Net Dividend (distributed y+1)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Payout (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
AACR EPS 2019 / 2023e	-1,6%							
AACR CFPS 2019 / 2023e	6,6%							

Valuation	17	18	19	20	21	22e	23e	24e
PER (x)	ns	ns	48,4	ns	ns	ns	ns	48,6
PCF (x)	ns	ns	29,1	ns	ns	ns	ns	25,3
PNAV (x)	ns	ns	ns	ns	ns	29,9	23,1	15,7
EV/Sales (x)	15,4	10,9	5,7	11,1	12,0	8,4	6,9	4,5
EV/EBITDA (x)	ns	ns	ns	ns	ns	ns	ns	25,7
EV/EBIT (x)	ns	ns	ns	ns	ns	ns	ns	ns
Free Cash Flow Yield (%)	-15,1%	-14,2%	2,0%	-2,8%	-1,2%	-1,2%	-1,9%	0,1%
Yield (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Market Cap (M€)	33,1	38,9	46,5	93,6	121,1	96,4	96,4	96,4
Enterprise Value (EV)	35,8	42,4	47,9	93,7	122,7	99,0	100,8	100,7
Reference Price (€)	9,8	9,6	11,2	21,5	27,8	22,1	22,1	22,1
Nb of shares (Mio)	3,390	4,033	4,147	4,362	4,362	4,362	4,362	4,362
Restated Nb of shares (Mio)	3,390	4,033	4,147	4,362	4,362	4,362	4,362	4,362
% dilution	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Listing Date	17/07/2015							
Adjusted Listing Price	5,8 €							

Intermediate Data	17	18	19	20	21	22	23	24
Q1 Sales	-	-	-	-	-	-	-	-
Q2 Sales	-	-	-	-	-	-	-	-
H1 Sales	1,1	2,0	5,2	3,8	3,6	3,0		
H1 EBIT	-2,8	-2,8	1,2	-1,0	-1,3	-2,4		
H1 restated Net result Group share	-2,7	-2,7	1,2	-0,8	-1,2	-2,3		
H1 Operating Margin	ns	ns	22,9%	-25,2%	-37,0%	ns		
H1 Net Margin	ns	ns	23,6%	-20,4%	-34,1%	ns		
Q3 Sales	-	-	-	-	-	-	-	-
Q4 Sales	-	-	-	-	-	-	-	-
H2 Sales	1,3	1,9	3,2	4,6	6,6			
H2 EBIT	-5,1	-2,6	-0,2	-0,4	1,5			
H2 restated Net result Group share	-4,8	-2,6	-0,3	-0,5	1,5			
H2 Operating Margin	ns	ns	-7,6%	-8,1%	22,9%			
H2 Net Margin	ns	ns	-8,7%	-10,0%	22,9%			
<i>Growth Rate (y/y-1)</i>								
Q1 Sales	-	-	-	-	-	-	-	-
Q2 Sales	-	-	-	-	-	-	-	-
Q3 Sales	-	-	-	-	-	-	-	-
Q4 Sales	-	-	-	-	-	-	-	-
H1 Sales	-33,3%	83,8%	+/>+	-27,4%	-5,7%	-16,2%		
H2 Sales	-7,2%	53,9%	65,8%	45,2%	42,7%			
H1 EBIT	-/--	-/--	-/+	+/-	-/--	-/--		
H2 EBIT	-/--	-/--	-/--	-/--	-/+			

Price History





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ESG Criteria				
	2019	2020	2021	Comments
ENVIRONMENT				
Carbon footprint				
GHG emissions in kteqCO2 (Scope 1 and 2) / Sales (€m)	NA	NA	NA	In progress
CO2 emissions offsetting policy	NA	NA	ND	In progress
Positive environmental impact identified	No	No	No	
Environmental Policy				
Publication of an environmental report	No	No	No	
Fines/environmental litigation over the last 3 years	No	No	No	
14001 certification	No	No	No	
SOCIAL				
Promoting diversity				
Share of women in company	35%	37%	38%	
Equal pay index women/men	NA	NA	NA	
Action plan for equal opportunities and diversity	ND	ND	ND	In progress
Share of the disabled	NA	NA	5,0%	
Training				
Part of employees who received training during the last year	NA	NA	60%	
Recruitment & Attraction				
Employment turnover rate	NA	NA	7,0%	
Certification Great place to work	ND	ND	ND	
Working conditions				
Presence of an HRD on the steering committee	No	No	No	
Encouraging employee shareholding	No	No	Yes	
Number of shares held by employees	NA	NA	104	
Absenteeism rate	NA	NA	3,0%	
Workplace accident frequency rate	NA	0	0	
GOVERNANCE & SHAREHOLDING				
Compliance with the Afep-Medef code				
Compliance with the Afep-Medef code	Yes	Yes	Yes	
Composition of governance bodies				
Separation of the functions of Chairman and Chief Executive Officer	Yes	Yes	Yes	
Number of members of the Board of Directors	5	5	5	
<i>of which independent</i>	2	2	2	
<i>of which women</i>	0	0	0	
Employee representative on the Board of Directors	No	No	No	
Attendance of Board members	NA	NA	90%	
Audit Committee	No	No	No	
Risk Committee	No	No	No	
Risk Committee: a section dedicated to cybersecurity	No	No	No	
CSR Committee	No	No	No	
Respect of minority shareholders				
Double/multiple voting rights	Yes	Yes	Yes	
Weight of the main shareholder	65%	62%	63%	Gardette Family
Executive compensation				
Transparency on the CEO's remuneration	ND	ND	ND	
Statement of the CEO's remuneration	ND	ND	ND	
Compensation of the CEO linked to CSR performance criteria	ND	ND	ND	
Fairness ratio	NA	NA	NA	
EXTERNAL STAKEHOLDERS				
Implementation of an ethics charter with its suppliers	ND	ND	ND	In progress
Implementation of customer satisfaction indicators	Yes	Yes	Yes	
Share of financial audit costs in audit costs	100%	100%	100%	

Compulsory disclosures

Stock recommendations

Our stock recommendations reflect the total return expected on the share over a 6-12 month investment horizon. They are based on target prices defined by the analyst and incorporate exogenous factors related to the market environment, which are subject to wide variations. Portzamparc's analysts use a fundamental multi-criteria approach when valuing a share (mainly, but not limited to, discounting of cash flows, comparable multiples, transaction multiples, sum of the parts and revalued net assets).

STRONG BUY (1): Expected return in excess of +15%

BUY (2): Expected return of between +5% and +15%

HOLD (3): Expected return of between -5% and +5%

REDUCE (4): Expected return of between -5% and -15%

SELL (5): Expected return of less than -15% or poor visibility on the fundamentals of the company.

All the disclaimers relating to Portzamparc's research (records of ratings, commitment to transparency, policy for handling conflicts of interest, rating system, rating breakdown, etc.) are available at <https://www.midcaps.portzamparc.fr/wp-content/fileadmin/pubt/avertissements.pdf> (institutional investors) or by contacting your usual adviser (private investors).

Unless otherwise specified, all prices are previous day's closing prices.

Ratings applied to the issuer in the past 12 months

The following table shows the changes of rating and target price made by the financial analysis department of Portzamparc over a 12-month period.

Recommendations are updated either when a comment is made in connection with an official or legal publication, or when an exceptional event occurs (external growth, significant agreements).

Date	Analyst	Target Price	Closing Price	Old Recommendation	New Recommendation
10/06/2022 8:30	Clément Bassat	€43.8	€30		STRONG BUY (1)

Potential conflicts of interest for PORTZAMPARC

Company	Potential conflicts of interest
Biocorp	6

1. Portzamparc holds or controls 5% or more of the issuer's share capital;
2. The issuer, or its main shareholders, hold or control, directly or indirectly, 5% or more of Portzamparc's share capital;
3. Portzamparc has been lead manager or co-lead manager in a public offering of financial instruments of the issuer in the past 12 months;
4. Portzamparc is market maker for the financial instruments of the issuer;
5. Portzamparc has entered into a liquidity agreement with the issuer;
6. Portzamparc and the issuer have signed an analysis service agreement whereby Portzamparc has undertaken to produce and disseminate investment research on the issuer;
7. Portzamparc has received payment from the issuer in consideration for the provision of investment services or financial advisory services in the last 12 months;
8. The author of this document or any person who has assisted in its preparation (or a member of their household), and any person who, while not involved in the preparation of the report, has had, or can be reasonably assumed to have had, access to material elements of this document prior to its dissemination, holds a net or short position representing more than 0.5% of the issuer's share capital;
9. The rating published in this document has been disclosed to the issuer prior to publication and dissemination and subsequently amended prior to its dissemination.

Potential conflicts of interest for BNP PARIBAS

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